

AN ACT

relating to the definition of production used in determining the cost of goods sold for franchise tax purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 171.1012(a)(2), Tax Code, is amended to read as follows:

(2) "Production" means ~~[includes]~~ construction, ~~[installation,]~~ manufacture, development, mining, extraction, improvement, creation, raising, or growth.

SECTION 2. The amendment made by this Act to Section 171.1012, Tax Code, is a clarification of existing law and does not imply that Section 171.1012, Tax Code, before the amendment made by this Act may be construed as inconsistent with Section 171.1012, Tax Code, as amended by this Act.

SECTION 3. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 4002 was passed by the House on May 4, 2017, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4002 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor